

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

| | | | |
|--|--|---|---------------------------|
| APPLICATION FOR PERMIT TO DRILL | | 5. MINERAL LEASE NO: ML-47969 | 6. SURFACE: State |
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> | | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> | | 8. UNIT or CA AGREEMENT NAME: | |
| 2. NAME OF OPERATOR: The Houston Exploration Company | | 9. WELL NAME and NUMBER: North Horseshoe 2-15-6-22 | |
| 3. ADDRESS OF OPERATOR: 1100 Louisiana Suite 20 CITY Houston STATE TX ZIP 77002 | | 10. FIELD AND POOL, OR WILDCAT: Undesignated | |
| 4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 582' FNL & 1997' FEL AT PROPOSED PRODUCING ZONE: same as above | | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 15 6S 22E | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 13.9 miles south of Vernal, UT | | 12. COUNTY: Uintah | 13. STATE: UTAH |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 582' | 16. NUMBER OF ACRES IN LEASE: 2,240 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 | |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1,800' | 19. PROPOSED DEPTH: 9,374 | 20. BOND DESCRIPTION: 104155044 | |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4,772 GR | 22. APPROXIMATE DATE WORK WILL START: 11/15/2005 | 23. ESTIMATED DURATION: 30 Days | |

| 24. PROPOSED CASING AND CEMENTING PROGRAM | | | | | | | |
|---|---|------|-------|---------------|---|---------|---------|
| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | | | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT | | |
| 11" | 8 5/8" | J-55 | 36# | 2,000 | PREMIUM LITE II | 250 SKS | 3.38 CF |
| | | | | | CLASS "G" | 329 SKS | 1.2 CF |
| | | | | | Calcium Chloride | 200 SKS | 1.10 CF |
| 7 7/8" | 4 1/2" | N-80 | 11.6# | 9,401 | PREMIUM LITE II | 200 SKS | 3.3 CF |
| | | | | | CLASS "G" | 400 SKS | 1.56 CF |
| | | | | | | | |
| | | | | | | | |

| | |
|--|--|
| 25. ATTACHMENTS | |
| VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES: | |
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

CONFIDENTIAL

NAME (PLEASE PRINT) William A. Ryan TITLE Agent
 SIGNATURE *William A. Ryan* DATE 11-14-05

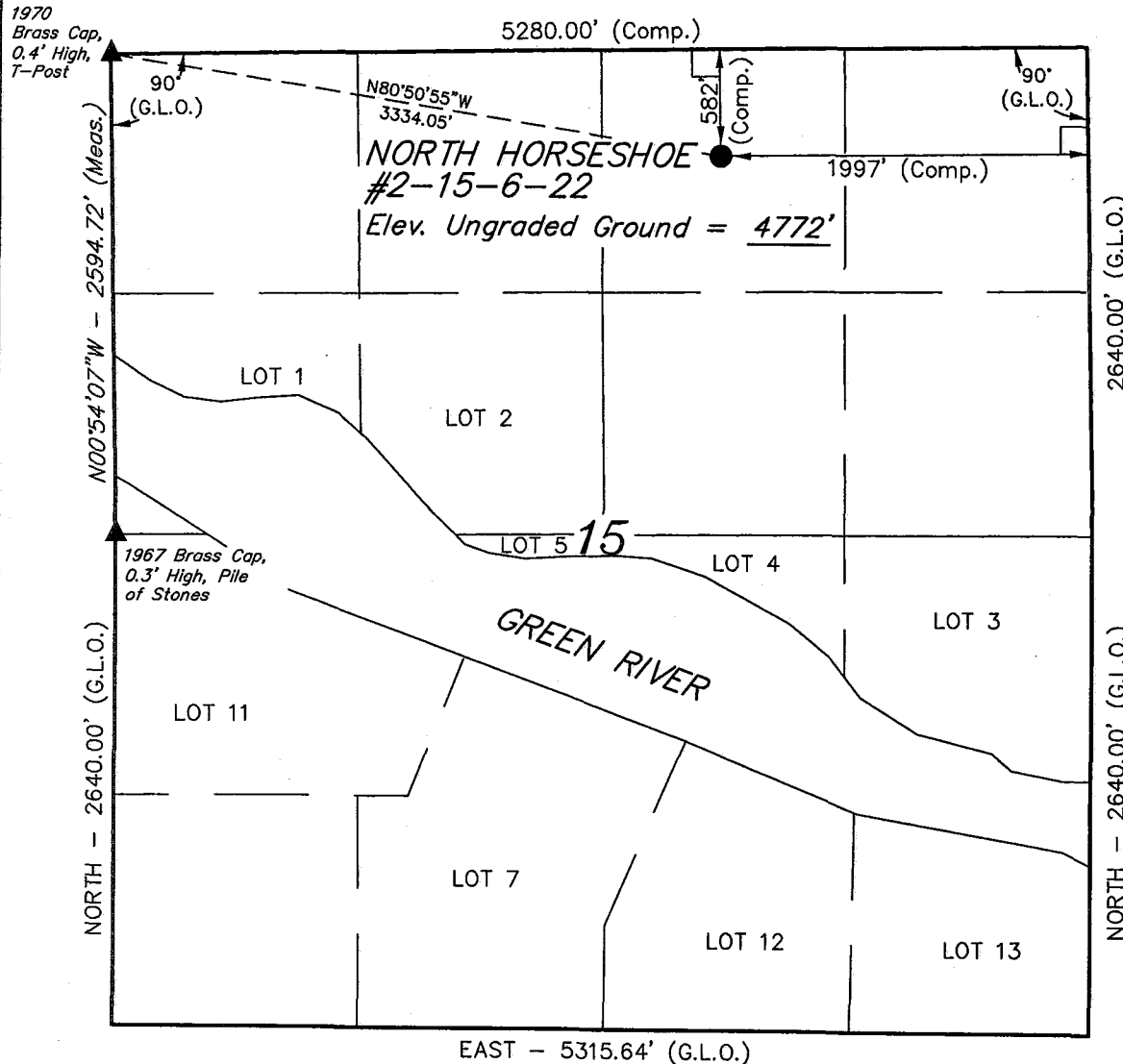
(This space for State use only)

API NUMBER ASSIGNED: 43-047-37395

Approved by the
Utah Division of
Oil, Gas and Mining
APPROVAL:
Date: 01-23-06
By: *[Signature]*
(See Instructions on Reverse Side)

RECEIVED
NOV 17 2005
DIV. OF OIL, GAS & MINING

T6S, R22E, S.L.B.&M.



LEGEND:

- └─ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

BASIS OF BEARINGS
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

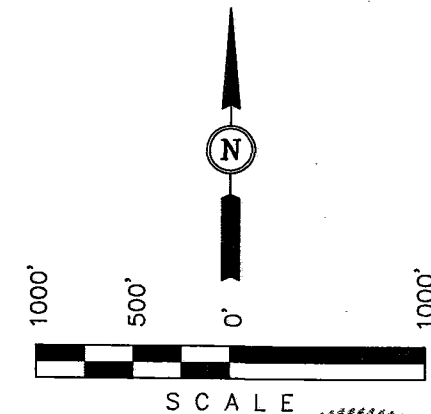
(AUTONOMOUS NAD 83)
LATITUDE = 40°18'15.57" (40.304325)
LONGITUDE = 109°25'34.74" (109.426317)
(AUTONOMOUS NAD 27)
LATITUDE = 40°18'15.70" (40.304361)
LONGITUDE = 109°25'32.27" (109.425631)

THE HOUSTON EXPLORATION COMPANY

Well location, NORTH HORSESHOE #2-15-6-22, located as shown in the NW 1/4 NE 1/4 of Section 15, T6S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT A HILLTOP LOCATED IN THE SW 1/4 OF SECTION 11, T6S, R22E, S.L.B.&M. TAKEN FROM THE RASMUSSEN HOLLOW QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4993 FEET.



CERTIFICATE OF LAND SURVEY
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEY MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
Robert L. [Signature]
REGISTERED LAND SURVEYOR
REGISTRATION NO. 10310
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

| | | |
|-------------------------|---|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 08-03-05 | DATE DRAWN: 08-11-05 |
| PARTY N.H. D.M. L.K. | REFERENCES G.L.O. PLAT | |
| WEATHER HOT | FILE THE HOUSTON EXPLORATION COMPANY | |

Ten Point Plan

The Houston Exploration Company

North Horseshoe 2-15-6-22

Surface Location NW $\frac{1}{4}$ NE $\frac{1}{4}$, Section 15, T. 6S., R. 22E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

| Formation | Depth | Datum |
|-------------|---------|-----------|
| GR | Surface | 4,772' |
| KB | +12' | 4,784' |
| Green River | 3,674' | +1,110' |
| Wasatch | 6,774' | -1,990' |
| Mesaverda | 9,374' | -4,590'TD |

A 11" hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Producing Formation Depth:

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off set well information

Permitted/Drilled:

North Horseshoe #16-9-6-22

North Horseshoe #4-15-6-22

North Horseshoe #14-10-6-22

Abandoned Wells:

N #2

4. Proposed Casing:

| <u>Hole Size</u> | <u>Casing Size</u> | <u>Weight/FT</u> | <u>Grade</u> | <u>Coupling & Tread</u> | <u>Casing Depth</u> | <u>New/Used</u> |
|------------------|--------------------|------------------|--------------|-----------------------------|---------------------|-----------------|
| 11 | 8 5/8 | 36# | J-55 | STC | 2000 | NEW |
| 7 7/8 | 4 1/2 | 11.6# | N-80 | LTC | T.D. | NEW |

Cement Program:

The Surface Casing will be cemented to the Surface as follows:

| | <u>Casing Size</u> | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u> | <u>Cement Weight</u> |
|----------|--------------------|--|-----------------------|-------------------------|----------------------|
| Lead: | 8 5/8 | Premium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride | 250 sks. +/- | 3.38ft ³ /sk | 11.0 ppg |
| Tail: | 8 5/8 | Class "G" 2% Calcium Chloride .25#/sk Cello Flake | 329 sks. +/- | 1.2ft ³ /sk | 15.6 ppg |
| Top Job: | 8 5/8 | 4% Calcium Chloride .25#/sk Cello Flake | 200 sks. +/- | 1.10ft ³ /sk | 15.6 ppg |

Production casing will be cemented to 2,500' or higher as follows:

| | <u>Casing Size</u> | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u> | <u>Cement Weight</u> |
|-------|------------------------|---|---------------------------|-------------------------|--------------------------|
| Lead: | 4 1/2 | Premium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% Potassium Chloride .055 gps FP-6L 10% Bentonite .5 Sodium Metasilicate | 200 sks +/- | 3.3ft ³ /sk | 11.0 ppg |
| Tail: | 4 1/2 | Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite | 400 sks +/- | 1.56ft ³ /sk | 14.3 ppg |

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

| <u>Interval</u> | <u>Mud weight lbs./gal.</u> | <u>Viscosity Sec./OT.</u> | <u>Fluid Loss Ml/30 Mins.</u> | <u>Mud Type</u> |
|-----------------|---------------------------------|-------------------------------|-----------------------------------|-----------------|
| 0-2000 | Air/Clear Water | ----- | No Control | Water/Gel |
| 2000-T.D. | 8.4-12.0 | 30 | 8-10 | Water/Gel |

7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging:

| | |
|----------------------|-------------------|
| Type | Interval |
| DLL/SFL W/GR and SP | T.D. to Surf. Csg |
| FDC/CNL W/GR and CAL | T.D. to Surf. Csg |

9. Abnormalities (including sour gas):

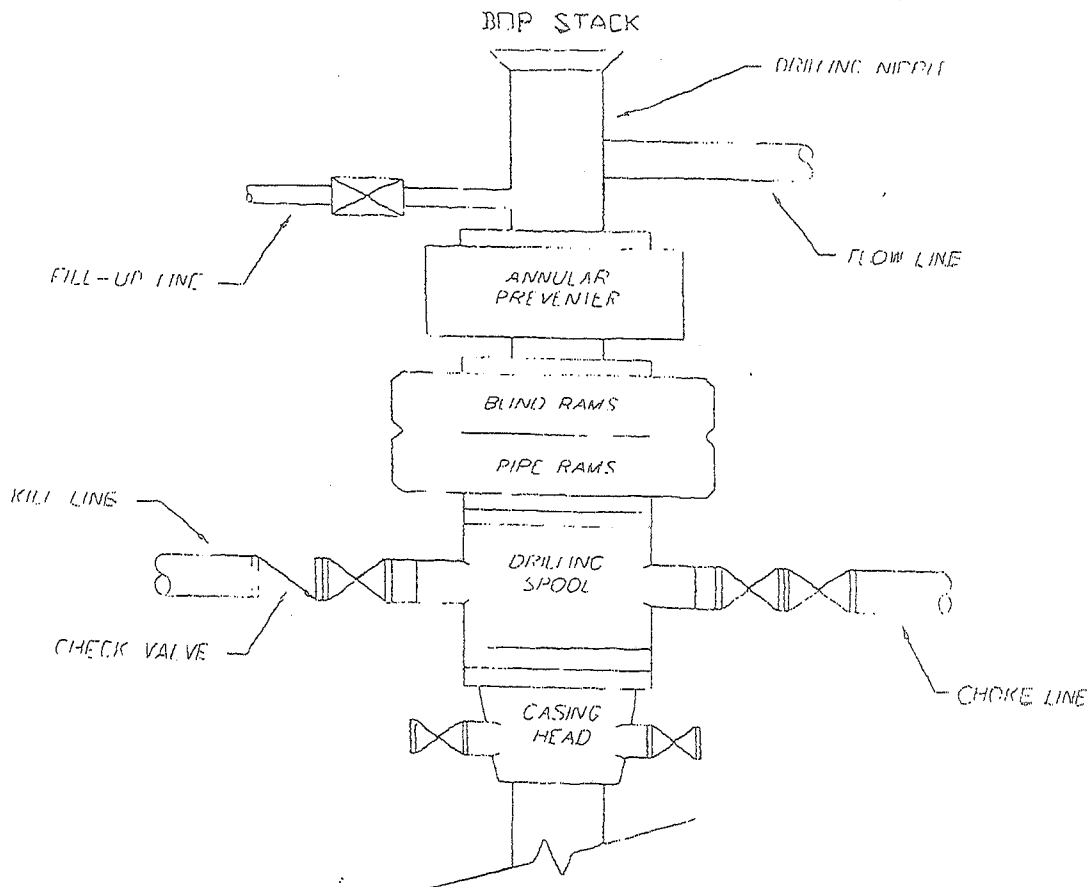
No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H₂S.

10. Drilling Schedule:

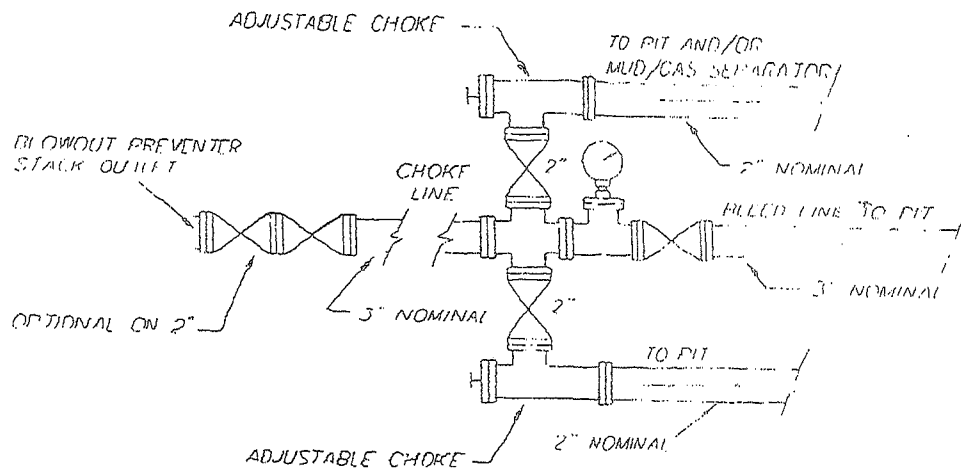
The anticipated starting date is ____ 1/1 /2005____. Duration of operations is expected to be 30 days.

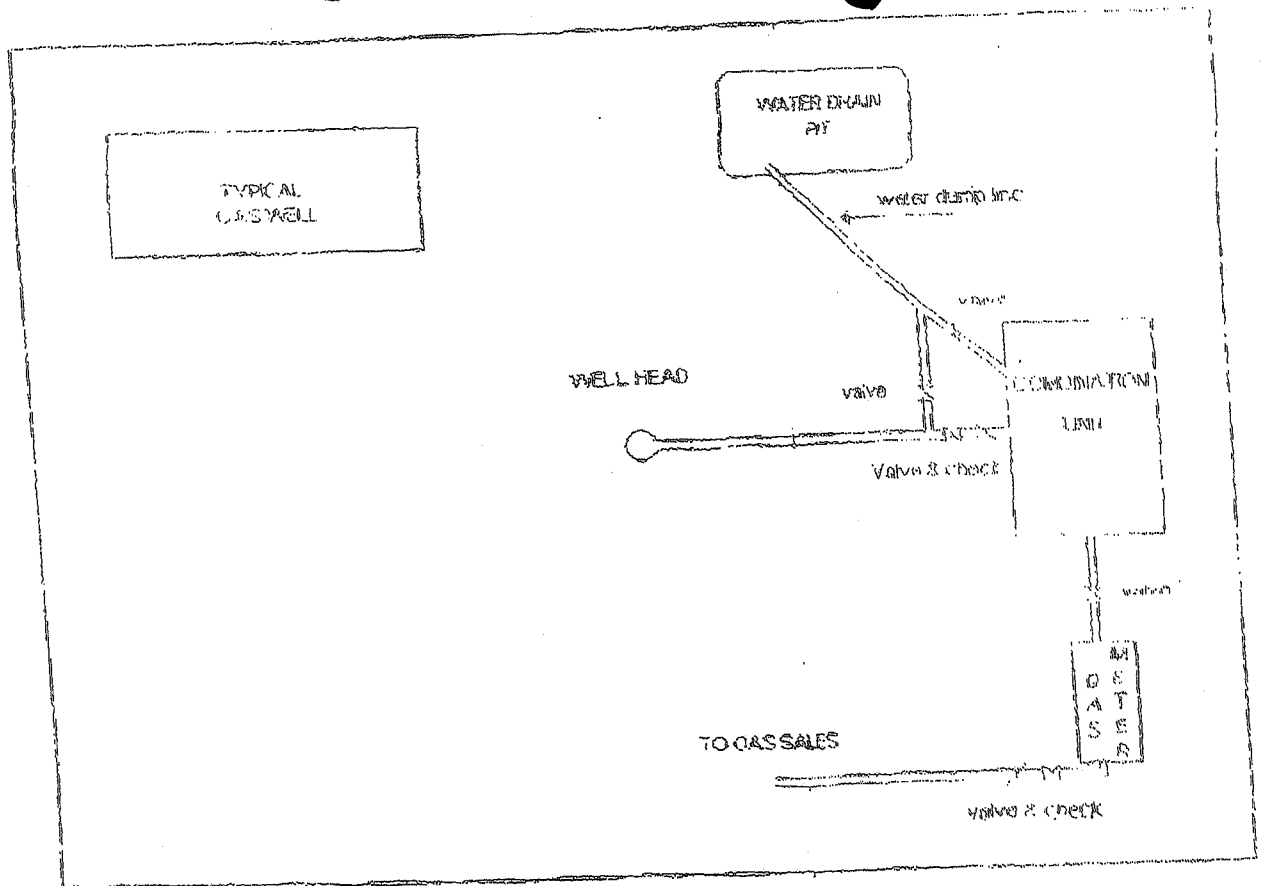
THE HOUSTON EXPLORATION COMPANY

TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i. CHOKER MANIFOLD SCHEMATIC





THE HOUSTON EXPLORATION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

NORTH HORSESHOE 2-15-6-22

LOCATED IN NW $\frac{1}{4}$ NE $\frac{1}{4}$

SECTION 15, T. 6S, R22E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: ML-47969

SURFACE OWNERSHIP: STATE

1. Existing Roads:

To reach The Houston Exploration Co. well North Horseshoe 2-15-6-22 in Section 15, T6S, R 22E, Starting in Vernal, Utah.

Proceed in an easterly, then southerly direction from Vernal, Utah along U.S. Highway 40 approximately 3.9 miles to the junction of this road and State Highway 45; exit right and proceed in a southerly, then southeasterly direction approximately 5.2 miles on State Highway 45 to the junction of this road and an existing road to the southeast, turn left and proceed in a southeasterly, then southerly direction approximately 4.7 miles to the beginning of the proposed access to the east; follow road flags in a easterly direction approximately 0.1 miles to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 13.9 miles.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 528' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

- A) Approximate length 528 ft
 - B) Right of Way width 30 ft
 - C) Running surface 18 ft
 - D) Surface material Native soil
 - E) Maximum grade 5%
 - F) Fence crossing None
 - G) Culvert None
 - H) Turnouts None
 - I) Major cuts and fills None
 - J) Road Flagged Yes
 - K) Access road surface ownership State
 - L) All new construction on lease Yes
 - M) Pipe line crossing None
- Please see the attached location plat for additional details.

An off lease right-of-way will not be required.

All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

- A) Producing well None
- B) Water well None
- C) Abandoned well N #2
- D) Temp. abandoned well None
- E) Disposal well None
- F) Drilling /Permitted well North Horseshoe 2-15-6-22
North Horseshoe 14-10-6-22
North Horseshoe 16-9-6-22
- G) Shut in wells None
- H) Injection well None
- I) Monitoring or observation well None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted an **Carlsbad Canyon** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is **Carlsbad Canyon**.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulation identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas line will be required.

Approximately 1,802' +/- of 3" steel surface gas gathering line would be constructed on State Lands. The line will tie into the proposed pipeline in Section 10,

T6S, R22E. The pipeline would be strung and boomed to the northwest of the location. The pipeline may be buried as determined by the Authorized Officer at the onsite.

An off lease right-of-way will not be required.

Please see the attached location diagrams for pipeline location.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from The Green River in Permit # T-76073.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **12 ft.** deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer. **Evaporation may be used instead of trucking to facilitate closing and reclamation of the reserve pit. A pumping system would be used for evaporation.**

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

- A) Pad length 345 ft.
- B) Pad width 245 ft.
- C) Pit depth 12 ft.
- D) Pit length 150 ft.
- E) Pit width 75 ft.
- F) Max cut 13.2 ft.
- G) Max fill 6.6 ft.
- H) Total cut yds. 5,280 cu yds
- I) Pit location South side
- J) Top soil location East end
- K) Access road location West end
- L) Flare Pit corner C

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,560 cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

**To be determined by the
Authorized Officer.**

11. Surface ownership:

| | |
|--------------------|--------------|
| Access road | State |
| Location | State |
| Pipe line | State |

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of non-native species. Rabbit brush, bitter brush, and Indian Rice grass and Sagebrush are also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed. A copy of that survey will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations, which would affect such sites, will be suspended and the discovery reported

promptly to the surface
management agency.

been off production for
more than 90 days.

D) Water:

**The nearest water is the
Green River located 2,550'
to the South.**

E) Chemicals:

No pesticides, herbicides or
other possible hazardous
chemicals will be used without
prior application.

F) Notification:

- a) Location Construction
At least forty eight (48)
hours prior to
construction of location
and access roads.
- b) Location completion
Prior to moving on the
drilling rig.
- c) Spud notice
At least twenty-four (24)
hours prior to spudding
the well.
- d) Casing string and
cementing
At least twenty-four (24)
hours prior to running
casing and cementing all
casing strings.
- e) BOP and related
equipment tests
At least twenty-four (24)
hours prior to initial
pressure tests.
- f) First production notice
Within five (5) business
days after the new well
begins, or production
resumes after well has

G) Flare pit:

The flare pit will be located in
corner C of the reserve pit out
side the pit fences and 100 feet
from the bore hole on the east
side of the location. All fluids
will be removed from the pit
within 48 hours of occurrence.

13. Lessees or Operator's representative
and certification

A) Representative

William A. Ryan
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

All lease and/or unit operations
will be conducted in such a
manner that full compliance is
made with all applicable laws,
regulations, onshore oil and gas
orders, and any applicable
notices to lessees. The operator
is fully responsible for the
actions of his subcontractors. A
copy of these conditions will be
furnished to the field
representative to ensure
compliance.

This drilling permit will be
valid for a period of one year
from the date of approval.
After permit termination, a new

application will be filed for approval for any future operations.

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be preformed by The Houston Exploration Company and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date 11-14-05



William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Dates:

Statement of use of Hazardous Materials

No chemical(s) from the EPA's consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

William A Ryan
Agent for The Houston Exploration Company
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax

THE HOUSTON EXPLORATION COMPANY

NORTH HORSESHOE #2-15-6-22

LOCATED IN UINTAH COUNTY, UTAH
SECTION 15, T6S, R22E, S.L.B.&M.

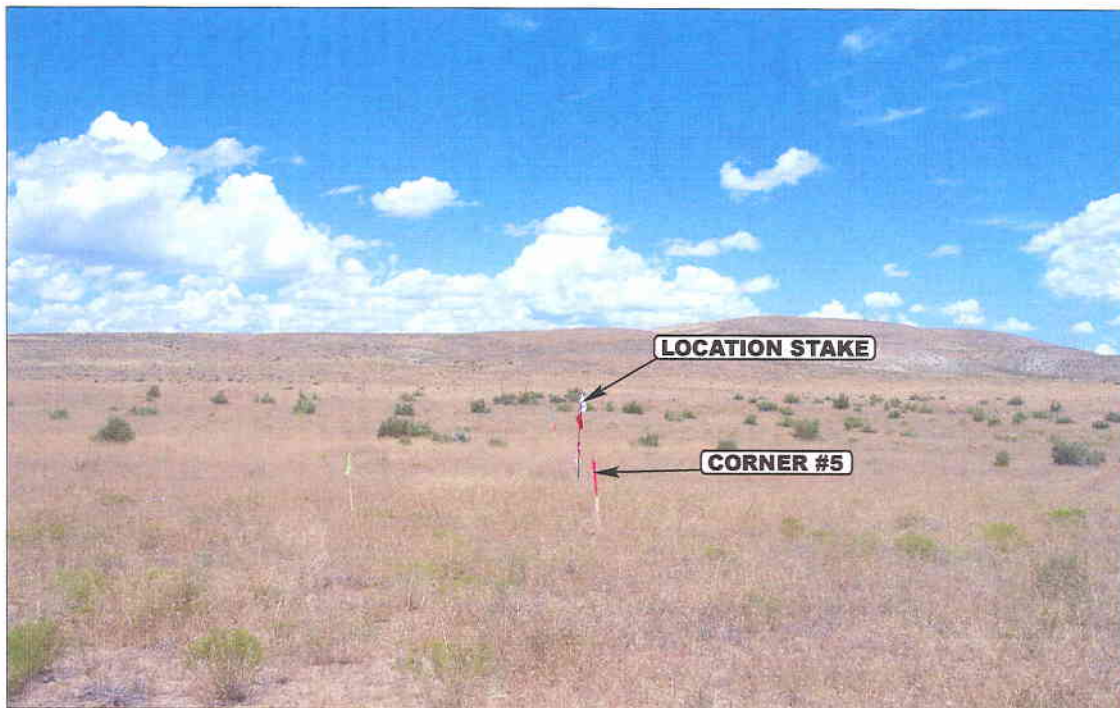


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



- Since 1964 -

U E L S Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

08 **15** **05**
MONTH DAY YEAR

PHOTO

TAKEN BY: N.H.

DRAWN BY: C.P.

REVISED: 00-00-00

THE HOUSTON EXPLORATION COMPANY

FIGURE #1

LOCATION LAYOUT FOR

NORTH HORSESHOE #2-15-6-22
SECTION 15, T6S, R22E, S.L.B.&M.
582' FNL 1997' FEL

Proposed Access Road

C-1.2'
El. 72.9'

Sta. 3+45

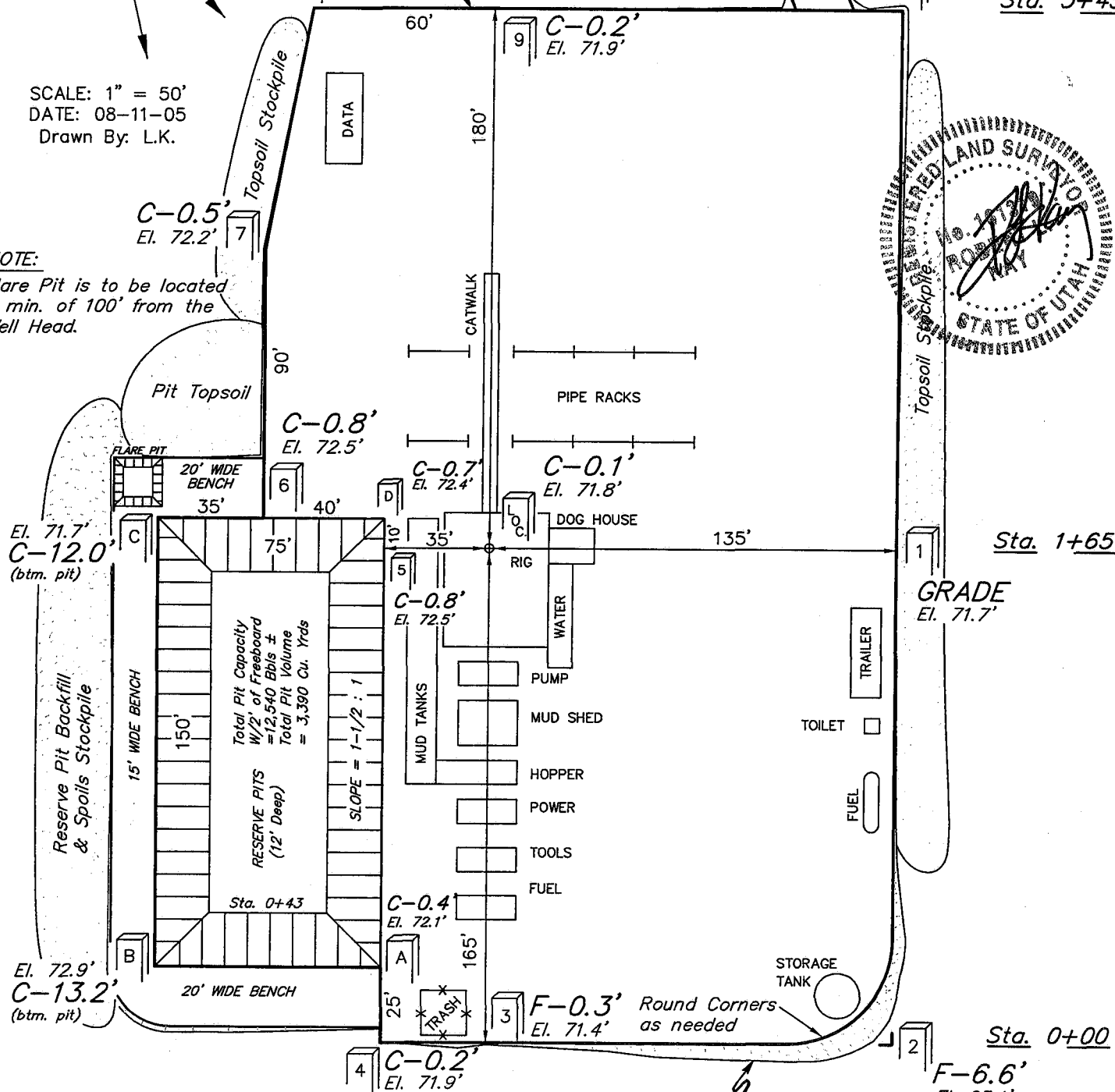
GRADE
El. 71.7'

Approx.
Top of
Cut Slope

SCALE: 1" = 50'
DATE: 08-11-05
Drawn By: L.K.

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 4771.8'

FINISHED GRADE ELEV. AT LOC. STAKE = 4771.7'

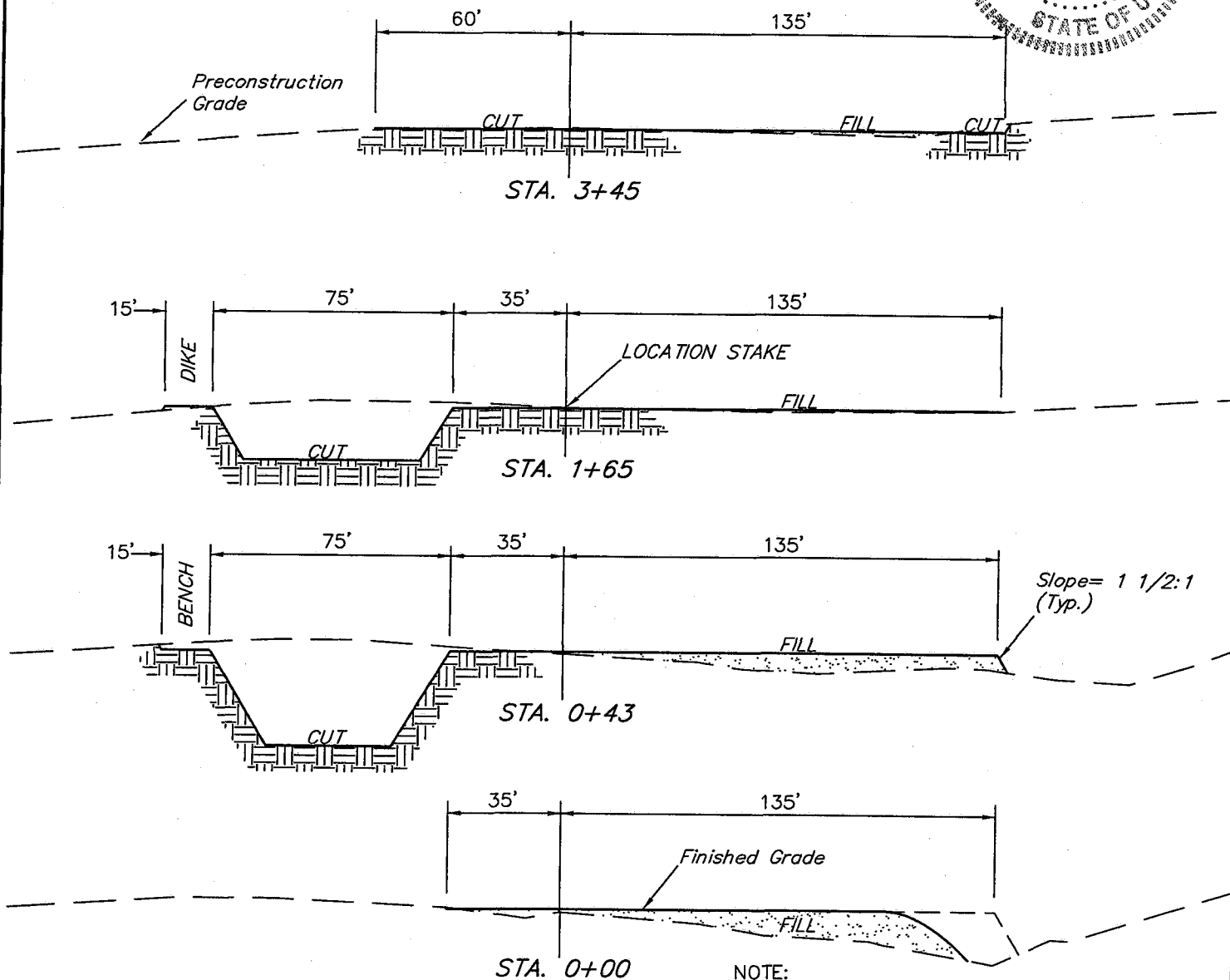
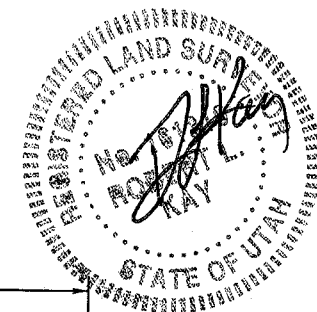
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THE HOUSTON EXPLORATION COMPANY

FIGURE #2

TYPICAL CROSS SECTIONS FOR
NORTH HORSESHOE #2-15-6-22
SECTION 15, T6S, R22E, S.L.B.&M.
582' FNL 1997' FEL

1" = 20'
X-Section
Scale
1" = 50'
DATE: 08-11-05
Drawn By: L.K.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

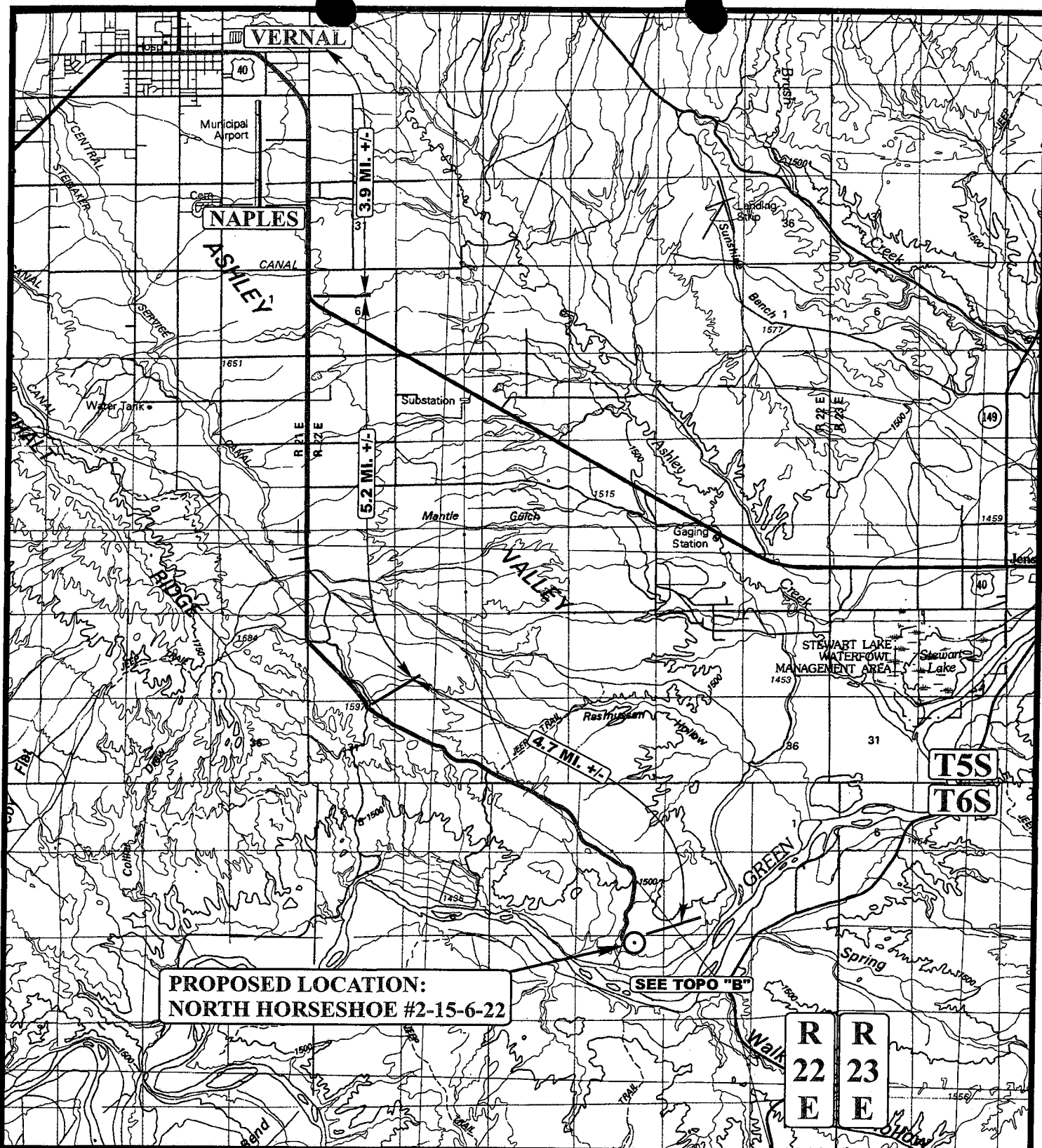
| | |
|------------------------|------------------------|
| CUT | |
| (6") Topsoil Stripping | = 1,560 Cu. Yds. |
| Remaining Location | = 3,720 Cu. Yds. |
| TOTAL CUT | = 5,280 CU.YDS. |
| FILL | = 2,020 CU.YDS. |

NOTE:

Topsoil should not be
Stripped Below Finished
Grade on Substructure Area.

| | |
|--|------------------|
| EXCESS MATERIAL | = 3,260 Cu. Yds. |
| Topsoil & Pit Backfill (1/2 Pit Vol.) | = 3,260 Cu. Yds. |
| EXCESS UNBALANCE (After Rehabilitation) | = 0 Cu. Yds. |

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**PROPOSED LOCATION:
NORTH HORSESHOE #2-15-6-22**

SEE TOPO "B"

**R 22
E**
**R 23
E**

LEGEND:

○ PROPOSED LOCATION



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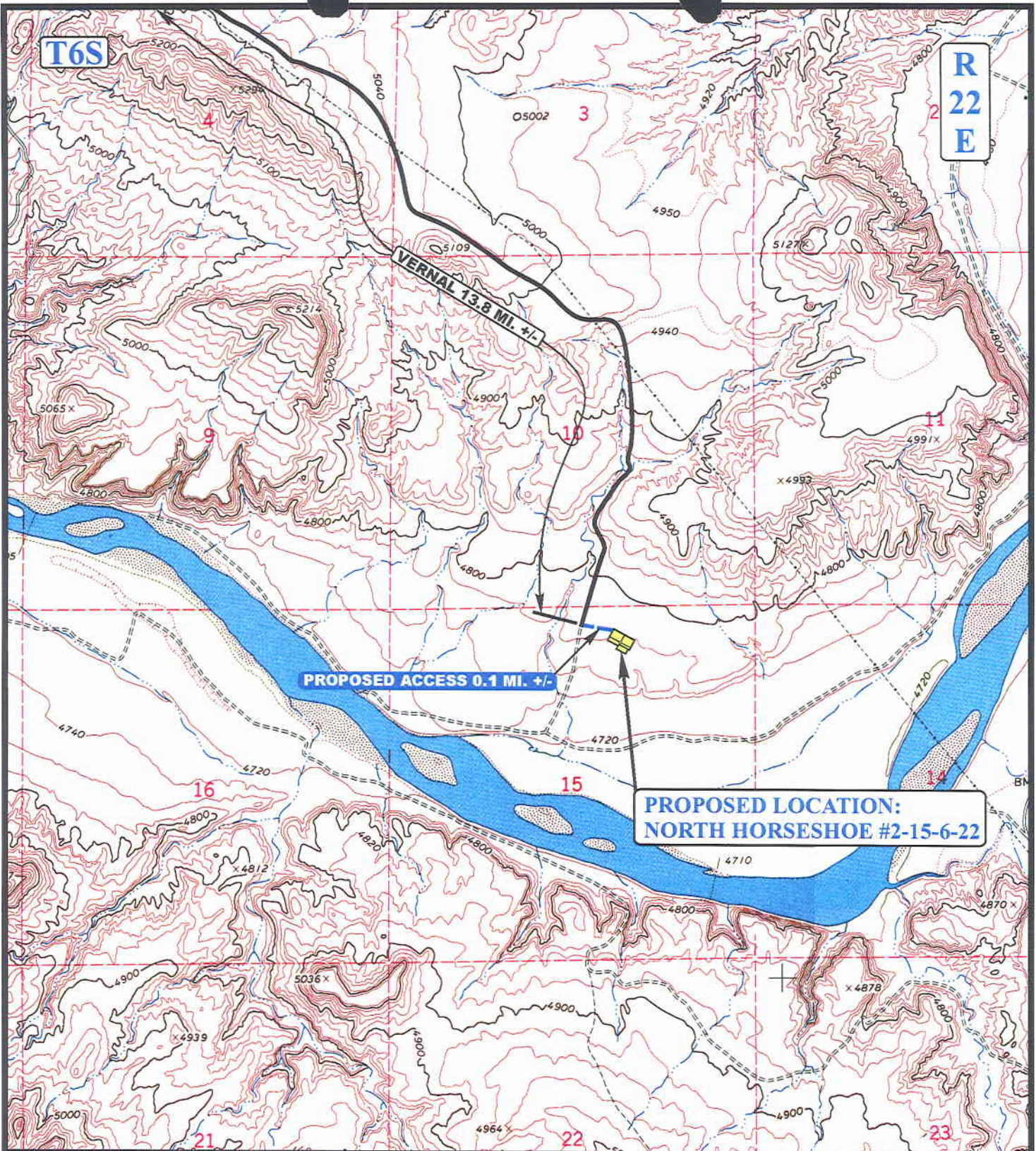


THE HOUSTON EXPLORATION COMPANY

NORTH HORSESHOE #2-15-6-22
SECTION 15, T6S, R22E, S.L.B.&M.
582' FNL 1997' FEL

TOPOGRAPHIC 08 15 05
MAP MONTH DAY YEAR
SCALE: 1:100,000 **DRAWN BY: C.P.** **REVISED: 00-00-00**





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING 2-TRACK NEEDS UPGRADED

THE HOUSTON EXPLORATION COMPANY

NORTH HORSESHOE #2-15-6-22
SECTION 15, T6S, R22E, S.L.B.&M.
582' FNL 1997' FEL



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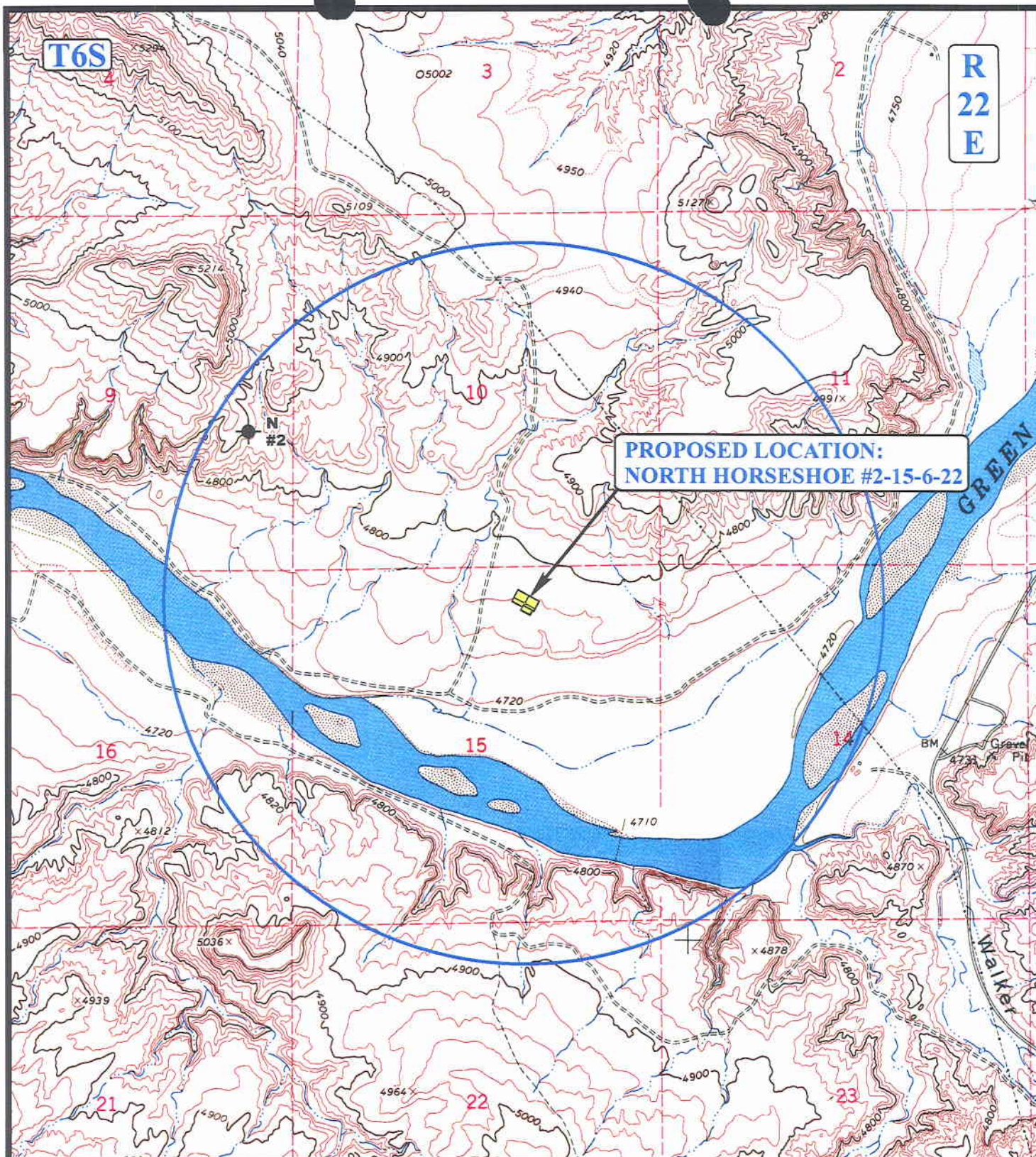


**TOPOGRAPHIC
MAP**

08 15 05
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00

**B
TOPO**



LEGEND:

- | | |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS | ⊗ WATER WELLS |
| ● PRODUCING WELLS | ⊗ ABANDONED WELLS |
| ⊙ SHUT IN WELLS | ⊙ TEMPORARILY ABANDONED |



THE HOUSTON EXPLORATION COMPANY

NORTH HORSESHOE #2-15-6-22
SECTION 15, T6S, R22E, S.L.B.&M.
582' FNL 1997' FEL

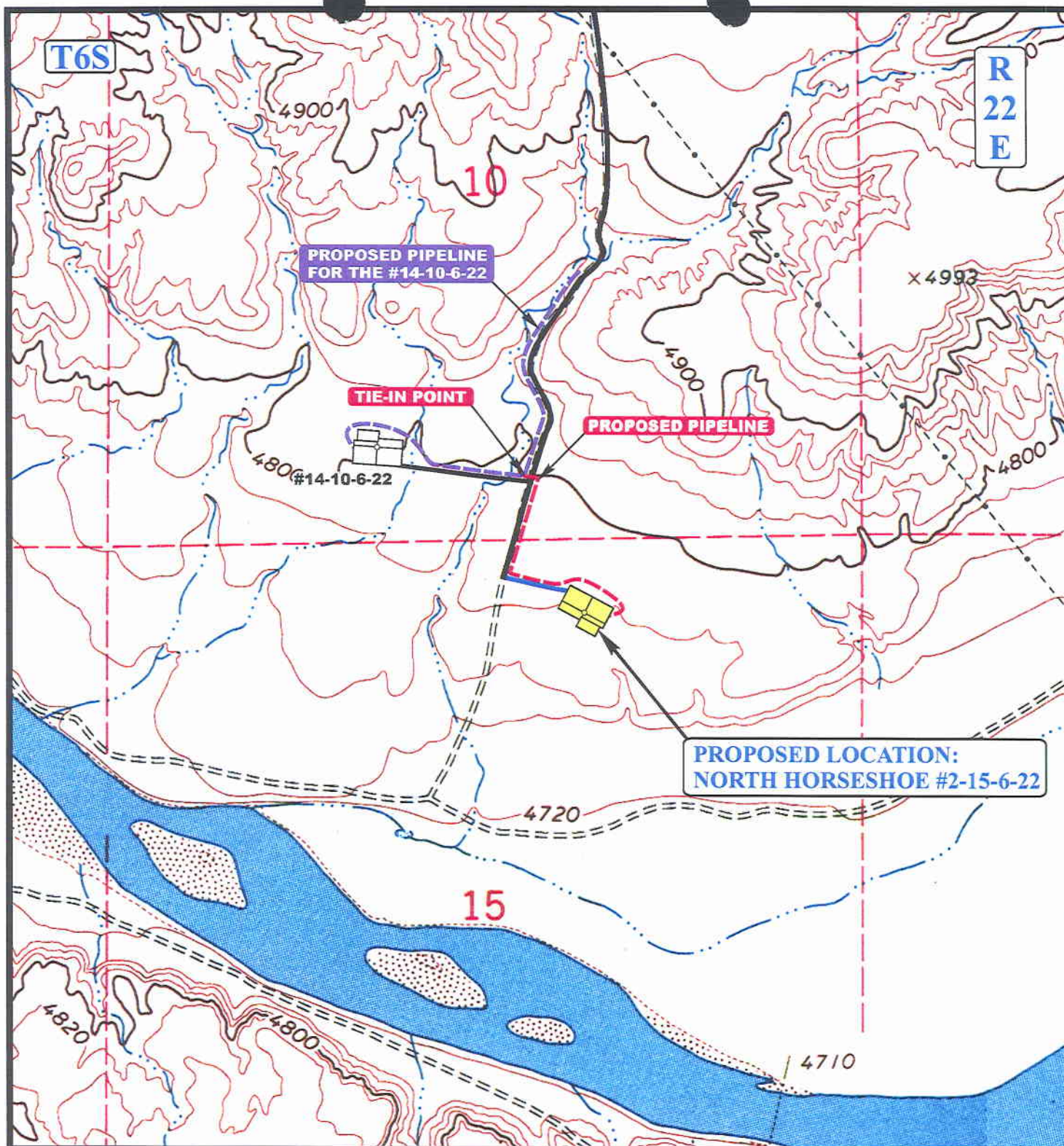


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TOPOGRAPHIC 08 15 05
MAP MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 1,802' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING 2-TRACK NEEDS UPGRADED
- PROPOSED PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)



THE HOUSTON EXPLORATION COMPANY

NORTH HORSESHOE #2-15-6-22
SECTION 15, T6S, R22E, S.L.B.&M.
582' FNL 1997' FEL



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TOPOGRAPHIC
MAP

08 15 05
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REVISED: 00-00-00

D
TOPO

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL

| | | | |
|--|---|---|---|
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> | | 5. MINERAL LEASE NO: ML-47969 | 6. SURFACE: State |
| B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> | | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| 2. NAME OF OPERATOR: The Houston Exploration Company | | 8. UNIT or CA AGREEMENT NAME: | |
| 3. ADDRESS OF OPERATOR: 1100 Louisiana Suite 20 CITY Houston STATE TX ZIP 77002 | | PHONE NUMBER: (713) 830-6800 | 9. WELL NAME and NUMBER: North Horseshoe 2-15-6-22 |
| 4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 582' FNL & 1997' FEL AT PROPOSED PRODUCING ZONE: same as above | | 10. FIELD AND POOL, OR WILDCAT: Undesignated Wildcat | |
| 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 15 6S 22E | | 12. COUNTY: Uintah | |
| 13. STATE: UTAH | | 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 13.9 miles south of Vernal, UT | |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 582' | 16. NUMBER OF ACRES IN LEASE: 2,240 | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 | |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1,800' | 19. PROPOSED DEPTH: 9,374 | 20. BOND DESCRIPTION: 104155044 | |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 4,772 GR | 22. APPROXIMATE DATE WORK WILL START: 11/15/2005 | 23. ESTIMATED DURATION: 30 Days | |

24. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT | | | |
|--------------|---|---------------|---|---------|---------|----------|
| 11" | 8 5/8" J-55 36# | 2,000 | PREMIUM LITE II | 250 SKS | 3.38 CF | 1' |
| | | | CLASS "G" | 329 SKS | 1.2 CF | 15.6 PPG |
| | | | Calcium Chloride | 200 SKS | 1.10 CF | 15.6 PPG |
| 7 7/8" | 4 1/2" N-80 11.6# | 9,401 | PREMIUM LITE II | 200 SKS | 3.3 CF | 11.0 PPG |
| | | | CLASS "G" | 400 SKS | 1.56 CF | 14.3 PPG |
| | | | | | | |
| | | | | | | |

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- ☒ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☒ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

- ☒ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

CONFIDENTIAL

NAME (PLEASE PRINT) William A. Ryan

TITLE Agent

SIGNATURE

DATE

11-14-05

(This space for State use only)

API NUMBER ASSIGNED:

43-047-37395

APPROVAL:

RECEIVED

NOV 17 2005

DIV. OF OIL, GAS & MINING

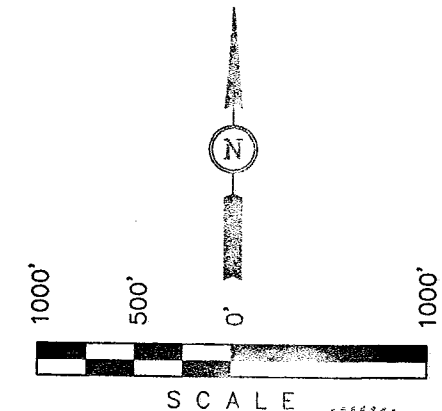
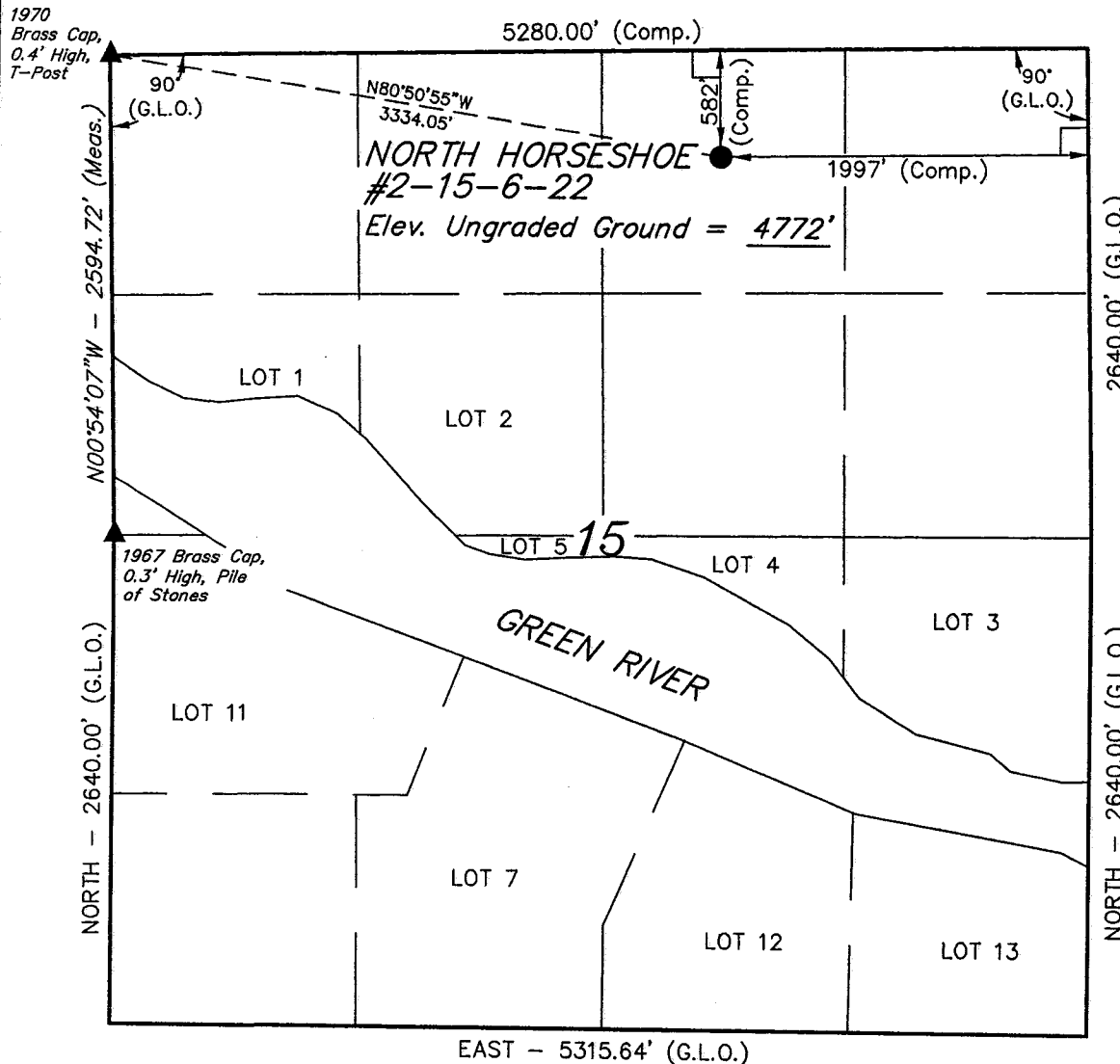
T6S, R22E, S.L.B.&M.

THE HOUSTON EXPLORATION COMPANY

Well location, NORTH HORSESHOE #2-15-6-22, located as shown in the NW 1/4 NE 1/4 of Section 15, T6S, R22E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT A HILLTOP LOCATED IN THE SW 1/4 OF SECTION 11, T6S, R22E, S.L.B.&M. TAKEN FROM THE RASMUSSEN HOLLOW QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 4993 FEET.



CERTIFICATED LAND SURVEYOR

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME, OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 10319
STATE OF UTAH

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

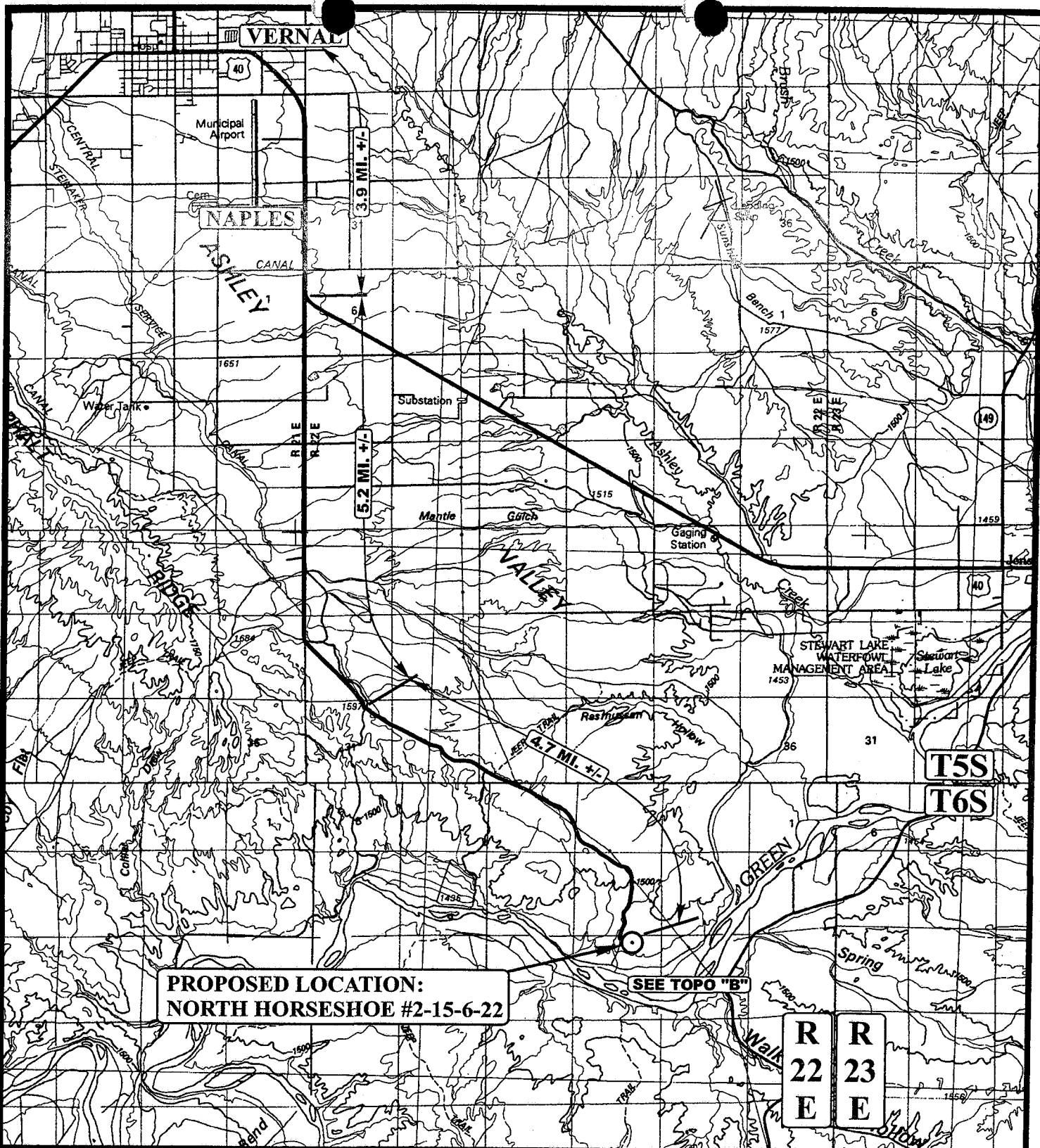
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)
LATITUDE = 40°18'15.57" (40.304325)
LONGITUDE = 109°25'34.74" (109.426317)
(AUTONOMOUS NAD 27)
LATITUDE = 40°18'15.70" (40.304361)
LONGITUDE = 109°25'32.27" (109.425631)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

| | | |
|-------------------------|---|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 08-03-05 | DATE DRAWN: 08-11-05 |
| PARTY N.H. D.M. L.K. | REFERENCES G.L.O. PLAT | |
| WEATHER HOT | FILE THE HOUSTON EXPLORATION COMPANY | |



LEGEND:

○ PROPOSED LOCATION



THE HOUSTON EXPLORATION COMPANY

**NORTH HORSESHOE #2-15-6-22
SECTION 15, T6S, R22E, S.L.B.&M.
582' FNL 1997' FEL**



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

08 15 05
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/17/2005

API NO. ASSIGNED: 43-047-37395

WELL NAME: N HORSESHOE 2-15-6-22

OPERATOR: HOUSTON EXPLORATION CO, (N2525)

CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

NWNE 15 060S 220E

SURFACE: 0582 FNL 1997 FEL

BOTTOM: 0582 FNL 1997 FEL

UINTAH

WILDCAT (1)

LEASE TYPE: 3 - State

LEASE NUMBER: ML-47969

SURFACE OWNER: 3 - State

PROPOSED FORMATION: MVRD

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

| Tech Review | Initials | Date |
|-------------|----------|---------|
| Engineering | DuED | 1/20/06 |
| Geology | | |
| Surface | | |

LATITUDE: 40.30507

LONGITUDE: -109.4253

RECEIVED AND/OR REVIEWED:

- ☒ Plat
- ☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 104155044)
- ☒ Potash (Y/N)
- ☒ Oil Shale 190-5 (B) or 190-3 or 190-13
- ☒ Water Permit
(No. T-76073)
- ☒ RDCC Review (Y/N)
(Date: 12/03/2005)
- ☒ Fee Surf Agreement (Y/N)
- ☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

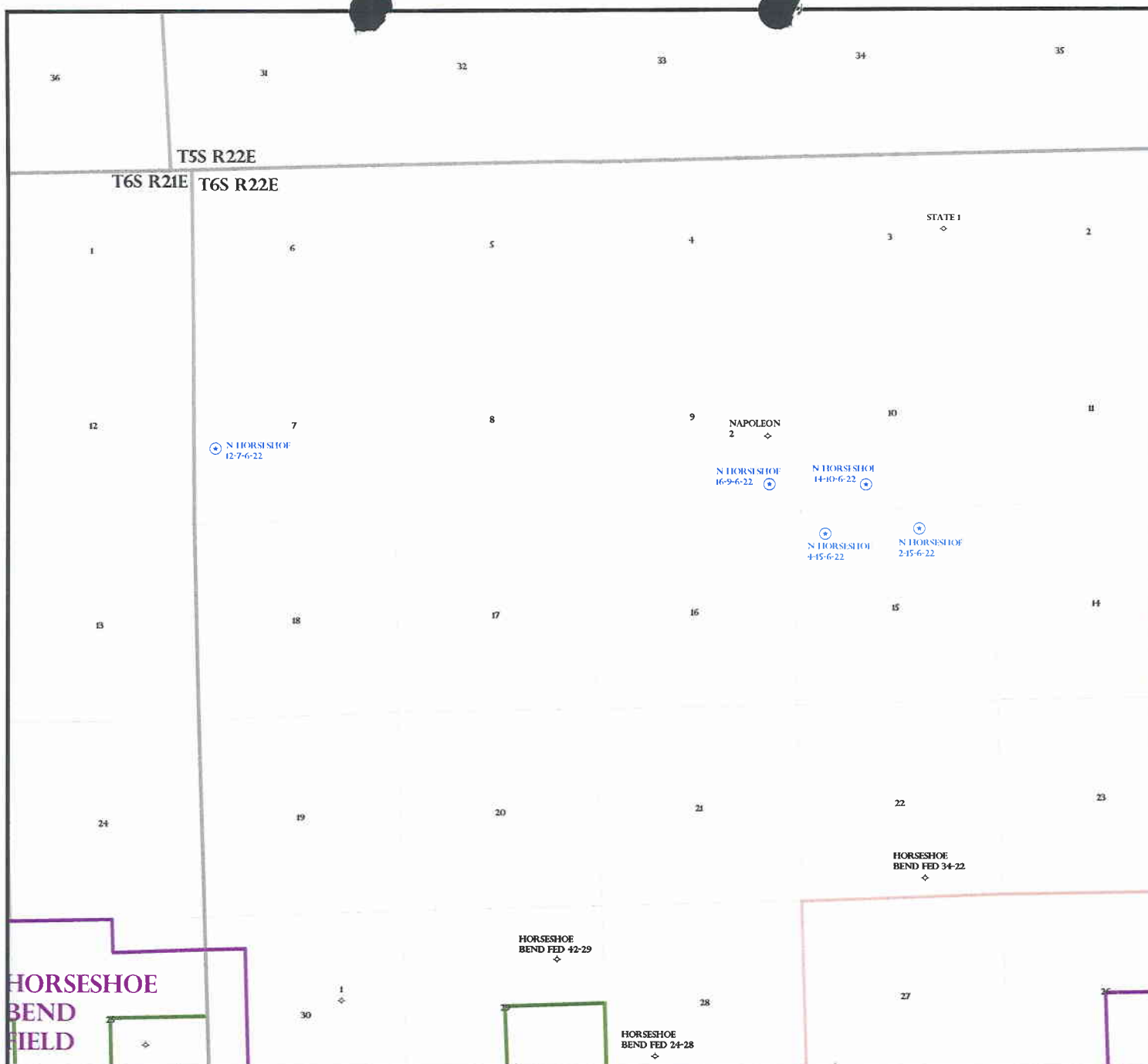
- ☐ R649-2-3.
Unit _____
- ☒ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ☐ R649-3-3. Exception
- ☐ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- ☐ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (11-29-05)

STIPULATIONS:

1- Spacing Strip
2- STATEMENT OF BASIS



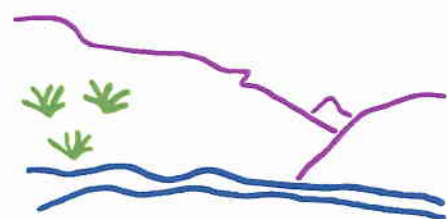
OPERATOR: THE HOUSTON EXPL CO (N2525)

SEC: 7,9,10,15 T. 6S R. 16E
6 22

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 18-NOVEMBER-2005

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: THE HOUSTON EXPLORATION COMPANY
WELL NAME & NUMBER: NORTH HORSESHOE 2-15-6-22
API NUMBER: 43-047-37395
LOCATION: 1/4,1/4 NW/NE sec:15 TWP: 6S RNG: 22E, 582 FNL 1997 FEL

Geology/Ground Water:

The Houston Ex. Co. proposes to set 2000 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 1,700 feet. A search of Division of Water Rights records shows two water wells within a 10,000 foot radius of the center of Section 15. These wells are approximately .75 miles and 1.5 miles NW of the proposed well. The nearest well produces water from an unknown depth and is listed as industrial use. The farther well is 120 feet deep and is used for domestic and stock watering. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers.

Reviewer: Brad Hill **Date:** 12-06-05

Surface:

The predrill investigation of the surface was performed on 11/29/05. Ben Williams with UDWR and Jim Davis with SITLA were invited to this investigation by email on 11/22/05. Both were present.

Mr. Williams representing the UDWR stated the area is classified as high value yearlong habitat for antelope and critical value yearlong habitat for deer (relative to its vicinity to the Green River). He did not recommend any restriction periods or actions to the Operator or SITLA for these species. He stated no other wildlife species are expected to be significantly affected. Mr. Williams also gave Ms. Stringham and Mr. Davis a UDWR recommended seed mix to be used when reserve pit and location are reclaimed.

The location is in a drainage about 600 feet upslope from the Green River. Proper installation and maintenance of a liner in the reserve pit is essential during drilling operations.

This site is on State surface, with State minerals, and appears to be the best site for a location in the immediate area.

Reviewer: Floyd Bartlett **Date:** 11/30/05

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 16 mils and a felt subliner shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: THE HOUSTON EXPLORATION COMPANY

WELL NAME & NUMBER: NORTH HORSESHOE 2-15-6-22

API NUMBER: 43-047-37395

LEASE: ML-47969 FIELD/UNIT: WILDCAT

LOCATION: 1/4, 1/4 NW/NE sec:15 TWP: 6S RNG: 22E, 582 FNL 1997 FEL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): 633820 E 4462596 N SURFACE OWNER: STATE OF UTAH

PARTICIPANTS

Floyd Bartlett (DOGM), Ginger Stringham (HOUSTON), Ben Williams (UDWR)
Corey Stubbs (Stubbs & Stubbs Construction), Jim Davis, (SITLA).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

The general setting and topography of the proposed wells within this area is on a relatively flat but slightly south sloping large bench north of the Green River. Asphalt ridge is to the north. The bench was formed by ancient river actions and deposited sediments. The area is approximately 14 miles south of Vernal, Utah and accessed by State Highway 45 and a medium standard Uintah County graveled road. The Green River floodplain lies on a lower bench to the south.

The proposed North Horseshoe 2-15-6-22 well is on a sandy gentle sloping bench approximately 600 feet north of the Green River. A small gentle swale exists to the east of the location To reach the location. 0.1 miles of new road will be constructed from the existing County east to the proposed location. The only perennial water in the area is in the Green River. The location in the immediate area is essentially flat.

SURFACE USE PLAN

CURRENT SURFACE USE: wildlife, winter cattle grazing and hunting.

PROPOSED SURFACE DISTURBANCE: Construction of 0.1 miles of road, and a well location 345'x 210' plus reserve pit and soil stockpile storage outside the described area.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: None shown on attached 'TOPO C' map from GIS database. Three other wells are planned in the immediate area and 1 abandoned well exists.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling well. Pipeline will follow the edge of the access road approximately 1802 feet to a tie-in point with the proposed 14-10-6-22 well.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be borrowed from site during construction of location.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS?
EXPLAIN: Unlikely. Oilfield activity is common in the area. The location is not within the Green River floodplain.

WASTE MANAGEMENT PLAN:

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Commercial contractor will handle sewage facilities, storage and disposal. Trash will be contained in trash baskets and hauled to an approved land fill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None. The Green River is approximately 600 feet to the south.

FLORA/FAUNA: Vegetation is dominated by broom snakeweed. Cheat grass, Russian thistle and annual mustard also exist.
Dominant fauna is pronghorn, rodents, songbirds, raptors, deer, bobcat, coyote.

SOIL TYPE AND CHARACTERISTICS: Deep loamy sand, probably underlain with river deposited gravels.

EROSION/SEDIMENTATION/STABILITY: No stability problems are anticipated with the construction and operation of the location.

PALEONTOLOGICAL POTENTIAL: none observed.

RESERVE PIT

CHARACTERISTICS: 150' by 75' and 12' deep. The reserve pit is planned in an area of cut on the southwest side of the location. No stabilization problems are expected.

LINER REQUIREMENTS (Site Ranking Form attached): A liner will be required for reserve pit. Sensitivity score of 27, rating as Level I, Highly Sensitive. Operator routinely installs a 16 mil. liner in all reserve pits.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: Site was inspected by Sagebrush Archeological Consultants on 09/16/2005. A report of this investigation will be placed in the file.

OTHER OBSERVATIONS/COMMENTS

Ben Williams representing the UDWR stated the area is classified as high

value yearlong habitat for antelope and critical value yearlong habitat
for deer relative to its vicinity to the Green River. He did not
recommend any restrictions to the Operator or SITLA.
A cattle guard is proposed to cross an existing wire fence. It will be
included in SITLAS permit to the operator.

ATTACHMENTS

Photos of site have been taken and placed on file.

Floyd Bartlett
DOGM REPRESENTATIVE

11/29/2005 1:30 PM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

| <u>Site-Specific Factors</u> | <u>Ranking</u> | <u>Site Ranking</u> |
|---|----------------|---------------------|
| Distance to Groundwater (feet) | | |
| >200 | 0 | |
| 100 to 200 | 5 | |
| 75 to 100 | 10 | |
| 25 to 75 | 15 | <u>0</u> |
| <25 or recharge area | 20 | |
| Distance to Surf. Water (feet) | | |
| >1000 | 0 | |
| 300 to 1000 | 2 | |
| 200 to 300 | 10 | |
| 100 to 200 | 15 | |
| < 100 | 20 | <u>2</u> |
| Distance to Nearest Municipal Well (feet) | | |
| >5280 | 0 | |
| 1320 to 5280 | 5 | |
| 500 to 1320 | 10 | |
| <500 | 20 | <u>0</u> |
| Distance to Other Wells (feet) | | |
| >1320 | 0 | |
| 300 to 1320 | 10 | |
| <300 | 20 | <u>0</u> |
| Native Soil Type | | |
| Low permeability | 0 | |
| Mod. permeability | 10 | |
| High permeability | 20 | <u>20</u> |
| Fluid Type | | |
| Air/mist | 0 | |
| Fresh Water | 5 | |
| TDS >5000 and <10000 | 10 | |
| TDS >10000 or Oil Base Mud Fluid | 15 | |
| containing significant levels of | | |
| hazardous constituents | 20 | <u>5</u> |
| Drill Cuttings | | |
| Normal Rock | 0 | |
| Salt or detrimental | 10 | <u>0</u> |
| Annual Precipitation (inches) | | |
| <10 | 0 | |
| 10 to 20 | 5 | |
| >20 | 10 | <u>0</u> |
| Affected Populations | | |
| <10 | 0 | |
| 10 to 30 | 6 | |
| 30 to 50 | 8 | |
| >50 | 10 | <u>0</u> |
| Presence of Nearby Utility Conduits | | |
| Not Present | 0 | |
| Unknown | 10 | |
| Present | 15 | <u>0</u> |

Final Score 27 (Level I Sensitivity)

Sensitivity Level I = 20 or more: total containment is required.

Sensitivity Level II = 15-19: lining is discretionary.

Sensitivity Level III = below 15: no specific lining is required.





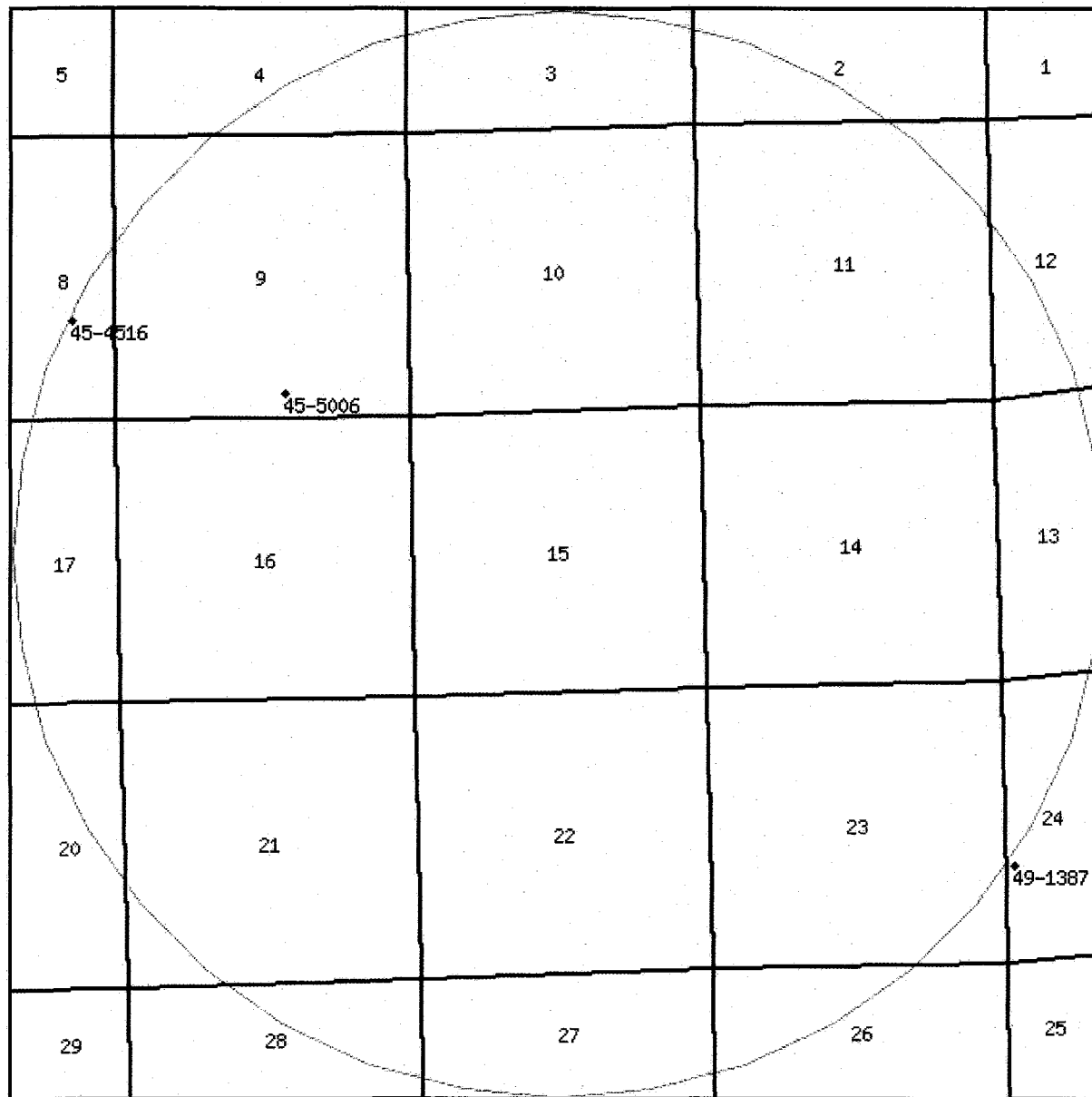
utah.gov State Online Services Agency List Business.utah.gov Search Utah.gov GO

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 12/06/2005 09:30 AM

Radius search of 10000 feet from a point N2640 E2640 from the SW corner, section 15, Township 6S, Range 22E, SL b&m
Criteria:wrtypes=W,C,E podtypes=U status=U,A,P usetypes=all




0 1300 2600 3900 5200 ft

Water Rights

| WR Number | Diversion Type/Location | Well Log | Status | Priority | Uses | CFS | ACFT | Owner Name |
|----------------|--|------------------|--------|----------|------|-------|-------|---|
| <u>45-4516</u> | Underground S775 W775 E4 08 6S 22E SL | <u>well info</u> | P | 19800422 | DIS | 0.015 | 0.000 | TODD R., SUSAN F., RICKY T. & CHRISTINA M. THACKER P.O. BOX 876 |
| <u>45-5006</u> | Underground N450 E400 S4 09 6S 22E SL | | U | 19820416 | O | 0.030 | 0.000 | R. G. WILEY P.O. BOX #202 |
| <u>49-1387</u> | Underground N1800 E100 SW 24 6S 22E SL | | A | 19860102 | OS | 0.000 | 5.750 | USA BUREAU OF LAND MANAGEMENT 2370 SOUTH 2300 WEST |

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STATE ACTIONS
Resource Development Coordinating Committee
Governor's Office of Planning and Budget
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

| | |
|---|---|
| 1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801 | 2. Approximate date project will start: Upon Approval or December 2, 2005 |
| 3. Title of proposed action: Application for Permit to Drill | |
| 4. Description of Project: The Houston Exploration Company proposes to drill the North Horseshoe 2-15-6-22 well (wildcat) on a State lease ML-47969, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence. | |
| 5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 582' FNL 1997' FEL, NW/4 NE/4, Section 15, Township 6 South, Range 22 East, Uintah County, Utah | |
| 6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed. | |
| 7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted? | |
| 8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A | |
| 9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Governments | |
| 10. For further information, contact: Diana Whitney Phone: (801) 538-5312 | 11. Signature and title of authorized officer  Gil Hunt, Associate Director Date: November 18, 2005 |

Casing Schematic

Uinta

Surface

8-5/8"
MW 8.4
Frac 19.3

TOC @
0.

1230 TOC Tail

✓ w/18% Washout

1700 BMSL

Surface
2000. MD

BHP

$$(0.052)(10)(9374) = 4874$$

Anticipate < 3,000

✓ Propose TOC ± 2500'

TOC @
2924.

3674 Green River

Gas

$$(0.12)(9374) = 1124$$

MASP = 3750

fluid

$$(0.22)(9374) = 2062$$

MASP = 2812

6774 Washout

w/15% Washout

6989 TOC Tail

✓ TOC 2451' w/12% Washout

BOPE - 3,000 ✓

Surf CSG - 4460

TOG = 3122

Max pressure @ Surf CSG shoe = 3252

TEST TO 3100# ✓

✓ Adequate DWD 1/20/06

4-1/2"
MW 10.

Production
9374. MD

— Mesaverde

Well name:

01-06 Houston N Horseshoe 2-15-6-22

Operator: Houston Exploration Company

String type: Surface

Project ID:

43-047-37395

Location: Uintah County

Design parameters:**Collapse**

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 93 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 1,760 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 2,000 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.

Neutral point: 1,749 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 9,359 ft
Next mud weight: 10.000 ppg
Next setting BHP: 4,862 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 2,000 ft
Injection pressure 2,000 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 2000 | 8.625 | 36.00 | J-55 | ST&C | 2000 | 2000 | 7.7 | 143.5 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 873 | 3450 | 3.954 | 2000 | 4460 | 2.23 | 63 | 434 | 6.89 J |

Prepared Clinton Dworshak
by: Utah Div. of Oil & Mining

Phone: 801-538-5280
FAX: 810-359-3940

Date: January 19, 2006
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

01-06 Houston N Horseshoe 2-15-6-22Operator: **Houston Exploration Company**String type: **Production**

Project ID:

43-047-37395Location: **Uintah County****Design parameters:****Collapse**Mud weight: 10.000 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 196 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 2,924 ft

BurstMax anticipated surface
pressure: 3,745 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 4,870 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 7,973 ft

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|------------|---------------------------|-------------------------------|-------------------------------|------------------------|----------------------------|----------------------------|---------------------------|-------------------------------|-------------------------------|
| 1 | 9374 | 4.5 | 11.60 | N-80 | LT&C | 9374 | 9374 | 3.875 | 217.3 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 4870 | 6350 | 1.304 | 4870 | 7780 | 1.60 | 92 | 223 | 2.41 J |

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: 801-538-5280
FAX: 801-359-3940Date: January 19, 2006
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 9374 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

From: Robert Clark
To: Whitney, Diana
Date: 11/28/2005 9:17:07 AM
Subject: RDCC short turn around responses

The following comments are being submitted directly to DOG&M due to their short turn around status.

The following comments are submitted for **RDCC #5944-5949**. The comments pertain to all projects.

Comments begin: The proposed *North Horseshoe 12-7-6-22, 16-9-6-22, 14-10-6-22, 2-15-6-22, 4-15-6-22, and 3-16-6-21* well drilling projects in Uintah County may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are constructed at the site. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The proposed project is also subject to Utah Air Quality Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

The following comments are submitted for **RDCC #5950-5952**. The comments pertain to all projects.

Comments begin: The proposed *Thurston 5-15-9-24, 13-29-9-24, and 10-15-9-24* well drilling projects in Uintah County may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are constructed at the site. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The proposed project is also subject to Utah Air Quality Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. A copy of the rules may be found at www.rules.utah.gov/publicat/code/r307/r307.htm. **Comments end.**

Robert Clark

Division of Air Quality
536-4435

CC: McNeill, Dave; Wright, Carolyn

From: Ed Bonner
To: Whitney, Diana
Date: 12/20/2005 9:54:05 AM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Enduring Resources, LLC

Big Pack 12-21-11-2

Big Pack 12-21-13-2

Big Pack 12-21-24-2

EOG Resources, Inc

Chapita Wells Unit 695-32

The Houston Exploration Company

North Walker Hollow 2-32-6-23

North Walker Hollow 8-32-6-23

North Walker Hollow 10-32-6-23

North Walker Hollow 12-32-6-23

North Walker Hollow 16-32-6-23

North Horseshoe 12-7-6-22

North Horseshoe 16-9-6-22

North Horseshoe 14-10-6-22

North Horseshoe 2-15-6-22

North Horseshoe 4-15-6-22

Westport Oil & Gas Company

NBU 1022-20N

NBU 1022-20L

NBU 1022-20F

NBU 1022-20D

If you have any questions regarding this matter please give me a call.

CC: Garrison, LaVonne; Hill, Brad; Hunt, Gil

Clinton Dworshak - cement sks changes

From: eric bowedn <starman686@yahoo.com>
To: <clintondworshak@utah.gov>
Date: 1/18/2006 1:39 PM
Subject: cement sks changes

here are the cement sks changes that you requested.

Yahoo! Photos – Showcase holiday pictures in hardcover
Photo Books. You design it and we'll bind it!

THE HOUSTON EXPLORATION COMPANY

| WELL NAME | API | LEAD sks | TAIL sks |
|----------------|--------------|-------------|-------------|
| NH 9-16-6-21 | 43-047-37439 | 415 | 514 |
| NH 3-16-6-21 | 43-047-37391 | 415 | 514 |
| NH 13-16-6-21 | 43-047-37575 | 415 | 514 |
| NH 15-2-6-21 | 43-047-37477 | 415 | 514 |
| NH 13-2-6-21 | 43-047-37476 | 415 | 514 |
| | | | |
| NH 11-16-6-21 | 43-047-37441 | 499 | 515 |
| NH 7-16-6-21 | 43-047-37438 | 499 | 515 |
| NH 1-16-6-21 | 43-047-37442 | 499 | 515 |
| NH 15-16-6-21 | 43-047-37440 | 499 | 515 |
| | | | |
| NH 12-7-6-22 | 43-047-37392 | 415 | 515 |
| NH 16-9-6-22 | 43-047-37393 | 415 | 515 |
| NH 14-10-6-22 | 43-047-37394 | 415 | 515 |
| NH 4-15-6-22 | 43-047-37396 | 415 | 515 |
| NH 2-15-6-22 | 43-047-37395 | 415 | 515 |
| | | | |
| NWH 13-36-6-23 | 43-047-37463 | 357 | 526 |
| NWH 15-36-6-23 | 43-047-37464 | 357 | 526 |
| NWH 11-36-6-23 | 43-047-37462 | 357 | 526 |
| NWH 14-32-6-23 | 43-047-37478 | 357 | 526 |
| NWH 2-32-6-23 | 43-047-37399 | 357 | 526 |
| NWH 8-32-6-23 | 43-047-37401 | 357 | 526 |
| NWH 10-32-6-23 | 43-047-37400 | 357 | 526 |
| NWH 12-32-6-23 | 43-047-37397 | 357 | 526 |
| NWH 16-32-6-23 | 43-047-37398 | 357 | 526 |
| | | | |
| G 2-2-6-19 | 43-047-37561 | 153 | 1,050 |
| G 16-2-6-19 | 43-047-37562 | 153 | 1,050 |
| G 1-2-6-19 | 43-047-37563 | 153 | 1,050 |
| G 3-2-6-19 | 43-047-37568 | 153 | 1,050 |



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 23, 2006

Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, TX 77002

Re: North Horseshoe 2-15-6-22 Well, 582' FNL, 1997' FEL, NW NE, Sec. 15,
T. 6 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37395.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Houston Exploration Company
Well Name & Number North Horseshoe 2-15-6-22
API Number: 43-047-37395
Lease: ML-47969

Location: NW NE Sec. 15 T. 6 South R. 22 East

Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
7. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 26, 2007

Ginger Stringham
The Houston Exploration Co.
1100 Louisiana, Suite 2000
Houston, TX 77002-6800

Re: APD Rescinded –North Horseshoe 2-15-6-22 Sec. 15 T. 6 R. 22E
Uintah County, Utah API No. 43-047-37395

Ms. Stringham:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on January 23, 2006. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 26, 2007.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
SITLA, Ed Bonner

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

| |
|----------------|
| ROUTING |
| 1. DJJ |
| 2. CDW |

Change of Operator (Well Sold)

X - Operator Merger

The operator of the well(s) listed below has changed, effective:

6/1/2007

FROM: (Old Operator):

N2525 - The Houston Exploration Company
 1100 Louisiana, Suite 2000
 Houston, TX 77002

TO: (New Operator):

N6965-Forest Oil Corporation
 707 17th St, Suite 3600
 Denver, CO 80202

Phone: 1-(713) 830-6800

Phone: 1 (303) 812-1755

CA No.

Unit:

| WELL NAME | SEC | TWN | RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|-------------------|-----|-----|-----|--------|-----------|------------|-----------|-------------|
| SEE ATTACHED LIST | | | | | | | | |

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 7/30/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 7/30/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/31/2007
- 4a. Is the new operator registered in the State of Utah: Business Number: 571171-0143
- 4b. If **NO**, the operator was contacted on: _____
- 5a. (R649-9-2) Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: _____
- 5c. Reports current for Production/Disposition & Sundries on: YES
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
7. **Federal and Indian Units:**
 The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
8. **Federal and Indian Communization Agreements ("CA"):**
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 7/31/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 7/31/2007
- Bond information entered in RBDMS on: 7/31/2007
- Fee/State wells attached to bond in RBDMS on: 7/31/2007
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: pending

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: 6236351
- Indian well(s) covered by Bond Number: n/a
- 3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 6218963
- 3b. The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 8/1/2007

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

| | | |
|--|--|---|
| SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals. | | 5. LEASE DESIGNATION AND SERIAL NUMBER: See Attached List |
| | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| | | 7. UNIT or CA AGREEMENT NAME: |
| | | 8. WELL NAME and NUMBER: See Attached List |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____ | | 9. API NUMBER: various |
| 2. NAME OF OPERATOR: Forest Oil Corporation <i>N6965</i> | | 10. FIELD AND POOL, OR WILDCAT: |
| 3. ADDRESS OF OPERATOR: 707 17th Street, #3600 CITY Denver, STATE CO ZIP 80202 | | PHONE NUMBER: (303) 812-1755 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: See attached list | | COUNTY: |
| QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: | | STATE: UTAH |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|---|---|--|---|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: Change of Operator |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | | | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. *N2525*
Effective 6/1/2007 please change the operator for the attached list of Utah wells from The Houston Exploration Company N-2525 to Forest Oil Corporation (N-6965). Forest merged with The Houston Exploration Company, a copy of the merger document is attached.. The contract operated wells will continue to be contract operated by Enduring.

Forest Oil Corporation as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning approved operations conducted on the lease or portion of the lease described.

Forest Oil Corporation meets the State of Utah bonding requirements under Safeco bond #6218963.

Please send all future correspondence to Forest Oil Corporation at the above listed address.

Forest Oil Corporation, 707 17th Street, Suite #3600, Denver, CO 80202

J.C. Ridens
J. C. Ridens, Senior Vice President - Western Region

7-5-07
Date

| | |
|---|--|
| NAME (PLEASE PRINT) Joanne C. Hresko | TITLE Vice President & General Mgr. - Northern Division |
| SIGNATURE <i>Joanne C. Hresko</i> | DATE <i>7-5-07</i> |

(This space for State use only)

APPROVED *7131107*
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

No wells in APD status or at New status at this time

(See Instructions on Reverse Side)

RECEIVED
JUL 30 2007

DIV OF OIL, GAS & MINING *WMP*

| well_name | sec | tpw | rng | api | entity | lease | well | stat | flag | unit | qtr_qtr | l_num | op no |
|-----------------------------|-----|------|------|------------|--------|---------|------|------|------|------|---------|------------|-------|
| FEDERAL 28-01 | 28 | 080S | 250E | 4304730098 | 10095 | Federal | GW | S | | | SESE | UTU-016257 | N2525 |
| CONOCO STATE 32-2 | 32 | 080S | 250E | 4304730100 | 10096 | State | GW | S | | | NENE | ML-11124 | N2525 |
| ROCK HOUSE 11-31 | 31 | 100S | 230E | 4304733312 | 13984 | Federal | GW | P | | | NESW | UTU-76281 | N2525 |
| BONANZA 4B-12 | 12 | 090S | 230E | 4304733806 | 14593 | Federal | D | PA | | | NWNW | UTU-74426 | N2525 |
| WALKER HOLLOW 13-31 | 31 | 060S | 230E | 4304735039 | | Federal | GW | LA | | | SESW | UTU-76280 | N2525 |
| ROCK HOUSE 6D-32 | 32 | 100S | 230E | 4304735409 | 14293 | State | GW | S | | | SESW | ML-47063 | N2525 |
| BONANZA 2B-16 | 16 | 090S | 240E | 4304735694 | 14186 | State | D | PA | | | NWNE | ML-46526 | N2525 |
| ROCK HOUSE 2D-36 | 36 | 100S | 220E | 4304735759 | 14357 | State | GW | P | | | NWNE | ML-47061 | N2525 |
| ROCK HOUSE 2D-32 | 32 | 100S | 230E | 4304735760 | 14317 | State | GW | S | | | NWNE | ML-47063 | N2525 |
| ROCK HOUSE 10D-32 | 32 | 100S | 230E | 4304735761 | 14318 | State | GW | S | | | NWSE | ML-47063 | N2525 |
| ROCK HOUSE 12D-32 | 32 | 100S | 230E | 4304735762 | 14294 | State | GW | P | | | NWSW | ML-47063 | N2525 |
| ROCK HOUSE 11-36 | 36 | 100S | 220E | 4304735900 | 14478 | State | GW | P | | | NESW | ML-46907 | N2525 |
| ROCK HOUSE 4-36 | 36 | 100S | 220E | 4304735901 | 14449 | State | GW | S | | | NWNW | ML42061 | N2525 |
| BONANZA 12A-22 | 22 | 090S | 240E | 4304735922 | 14520 | Federal | D | PA | | | NWSW | UTU-78118 | N2525 |
| BONANZA 14-16 | 16 | 090S | 240E | 4304735941 | 14521 | State | D | PA | | | SESW | ML-46526 | N2525 |
| ROCK HOUSE 11-2 | 02 | 110S | 230E | 4304736153 | 14695 | State | GW | P | C | | NESW | ML-47078 | N2525 |
| ROCK HOUSE 7-32-10-23 | 32 | 100S | 230E | 4304736306 | 14766 | State | GW | S | | | SWNE | ML-47063 | N2525 |
| ROCK HOUSE 3-32-10-23 | 32 | 100S | 230E | 4304736307 | 14781 | State | GW | P | | | NENW | ML-47063 | N2525 |
| ROCK HOUSE 5-32-10-23 | 32 | 100S | 230E | 4304736410 | 14727 | State | GW | S | | | SWNW | ML-47063 | N2525 |
| GUSHER 6-2 | 02 | 060S | 190E | 4304736963 | | State | OW | LA | | | SESW | ML-49144 | N2525 |
| N HORSESHOE 3-16-6-21 | 16 | 060S | 210E | 4304737391 | 15716 | State | GW | DRL | C | | NENW | ML-49317 | N2525 |
| N HORSESHOE 12-7-6-22 | 07 | 060S | 220E | 4304737392 | | State | GW | LA | | | NWSW | ML-47969 | N2525 |
| N HORSESHOE 16-9-6-22 | 09 | 060S | 220E | 4304737393 | | State | GW | LA | | | SESE | ML-47969 | N2525 |
| N HORSESHOE 14-10-6-22 | 10 | 060S | 220E | 4304737394 | | State | GW | LA | | | SESW | ML-47969 | N2525 |
| N HORSESHOE 2-15-6-22 | 15 | 060S | 220E | 4304737395 | | State | GW | LA | | | NWNE | ML-47969 | N2525 |
| N HORSESHOE 4-15-6-22 | 15 | 060S | 220E | 4304737396 | | State | GW | LA | | | NWNW | ML-47969 | N2525 |
| N WALKER HOLLOW 12-32-6-23 | 32 | 060S | 230E | 4304737397 | | State | GW | LA | | | NWSW | ML-47777 | N2525 |
| N WALKER HOLLOW 16-32-6-23 | 32 | 060S | 230E | 4304737398 | | State | GW | LA | | | SESE | ML-47777 | N2525 |
| N WALKER HOLLOW 2-32-6-23 | 32 | 060S | 230E | 4304737399 | 15741 | State | GW | DRL | C | | NWNE | ML-47777 | N2525 |
| N WALKER HOLLOW 10-32-6-23 | 32 | 060S | 230E | 4304737400 | | State | GW | LA | | | NWSE | ML-47777 | N2525 |
| N WALKER HOLLOW 8-32-6-23 | 32 | 060S | 230E | 4304737401 | | State | GW | LA | | | SENE | ML-47777 | N2525 |
| N WALKER HOLLOW 11-36-6-23 | 36 | 060S | 230E | 4304737462 | | State | GW | LA | | | NESW | ML-47970 | N2525 |
| N WALKER HOLLOW 13-36-6-23 | 36 | 060S | 230E | 4304737463 | | State | GW | LA | | | SWSW | ML-47970 | N2525 |
| N WALKER HOLLOW 15-36-6-23 | 36 | 060S | 230E | 4304737464 | | State | GW | LA | | | SWSE | ML-47970 | N2525 |
| N WALKER HOLLOW 14-32-6-23 | 32 | 060S | 230E | 4304737478 | | State | GW | LA | | | SESW | ML-47777 | N2525 |
| HACKING RES 11-32-8-25 | 32 | 080S | 250E | 4304737479 | | State | GW | LA | | | NESW | ML-11124 | N2525 |
| HACKING RES 3-32-8-25 | 32 | 080S | 250E | 4304737480 | | State | GW | LA | | | NENW | ML-11124 | N2525 |
| HACKING RES 5-32-8-25 | 32 | 080S | 250E | 4304737481 | | State | GW | LA | | | SWNW | ML-11124 | N2525 |
| HACKING RES 15-32-8-25 | 32 | 080S | 250E | 4304737482 | | State | GW | LA | | | SWSE | ML-11124 | N2525 |
| HACKING RES 9-32-8-25 | 32 | 080S | 250E | 4304737483 | | State | GW | LA | | | NESE | ML-11124 | N2525 |
| HACKING RESERVOIR 7-32-8-25 | 32 | 080S | 250E | 4304737571 | 15885 | State | GW | DRL | C | | SWNE | ML-11124 | N2525 |